

LEONARD, O'BRIEN SPENCER, GALE & SAYRE

Thomas W. Newcome**
Brian F. Leonard+
Eldon J. Spencer, Jr.+
Michael R. O'Brien‡
Edward W. Galet†
Grover C. Sayre, III+◇
Thomas W. Newcome III*
Michelle McQuarrie Colton
Joseph J. Deuhs, Jr.
Thomas C. Atmore +
Ernest F. Peake
Matthew R. Burton◇
James M. Jorissen+
Peter J. Sajevec, III□
Jennifer K. Eggers+§

Attorneys at Law
A Professional Association

100 South Fifth Street
Suite 2500
Minneapolis, Minnesota 55402-1234
Telephone (612) 332-1030
Fax (612) 332-2740

Internet: www.losgs.com

Andrea M. Hauser*
Scott S. Payzant∞
Jordan W. Sayre
Patrick J. Lindmark
Andrew J. Budish

Of Counsel
George B. Ingebrand, Jr.

□ Also admitted in Arizona
∞ Also admitted in California
* Also admitted in Illinois
◇ Also admitted in Iowa
§ Also admitted in Montana
+ Also admitted in Wisconsin
† Board Certified Civil Trial Specialist
(Minnesota State Bar Association and
National Board of Trial Advocacy)
* Certified Real Property Law Specialist
(Minnesota State Bar Association)
‡ Qualified Neutral (Rule 114)
** Retired Status

March 18, 2010

The Honorable Robert J. Kressel
United States Bankruptcy Court
300 South Fourth Street
Minneapolis, MN 55415

VIA ELECTRONIC FILING

Re: Dennis E. Hecker
Bankr. No. 09-50779

Dear Judge Kressel:

On March 12, 2010, we received records from Mr. William Skolnick regarding funds passing through his firm's accounts related to this bankruptcy case. Mr. Skolnick voluntarily agreed to produce these records when informed that Randall L. Seaver, the Chapter 7 trustee ("Trustee") intended to include Mr. Skolnick and his firm in a bankruptcy rule 2004 request.¹ Among the records produced were those attached as Exhibit A.

As the Court may recall, the Trustee entered into a settlement in January of this year which we had been led to believe was being funded by Ralph Thomas. The settlement provided that Mr. Thomas would pay \$75,000.00 to the bankruptcy estate and that, in return, he would be quitclaimed the estate's interest in the North Ridge home and the piano that was in the home. The Trustee also dismissed a pending contempt motion against Christi Rowan as part of the settlement. The enclosed records indicate that the funds used to settle were not, in fact, Mr. Thomas' funds.

When the Trustee entered into the settlement, he was led to believe that Mr. Thomas was actually Mr. Skolnick's client and was the one who was actually making the offer. The check from Mr. Skolnick's firm bears the memo "Ralph Thomas." It appears that, instead, the money was taken from the Hecker children's and grandchildren's trust accounts. Investigating this further, I learned that:

¹ Mr. Skolnick's firm's bank records related to the Debtor were requested on February 23, 2010 and were received on March 12, 2010. Not all requested information has been produced.

- (a) In November of 2009, Mr. Hecker had asked Bruce Parker, in his capacity as trustee of the minors' trusts, whether he could borrow money from the trusts. Mr. Parker said, "no." Thereafter, Mr. Parker resigned and was replaced by William Prohofsky as the trustee for each of the trusts. Apparently, Mr. Prohofsky surrendered the policies and wired the cash value to Mr. Skolnick's operating account on December 16, 2009 (the same date as the \$75,000 check). Further, we understand that loan documents were then drafted which mirror the amounts that went into Mr. Skolnick's account, but show a loan to James Gustafson (a former Hecker employee) or Focus Rental, LLC (although I have not seen these documents). Focus Rental, LLC has the same business address as Debtor's other business entities.
- (b) Mr. Thomas is now represented by Leonard, Street & Deinard. Through his counsel, I have learned that Mr. Thomas believed that the \$150,000.00 that he transferred to Mr. Hecker during the course of this case was for payment of legal fees, not to purchase North Ridge. He did not know that his name was being used on the North Ridge transaction until he read about it in the papers.
- (c) The trust documents provide that the assets therein could not be used for the benefit of the settlor (the Debtor).


Your order of October 7, 2009 (approving the sale of items to the Debtor) required disclosure of the money source before the consummation of that sale. (The sale was never consummated.) It was with those concerns known to all that representations were made to me, the Trustee, and the Court that the \$75,000.00 was being paid by Ralph Thomas. It appears that representations made to the Court and the Trustee relating to the involvement of Mr. Thomas and the source of the funds were not true.

The Trustee is in the process of ascertaining more facts regarding this matter and will act accordingly. However, in the interim, we felt that it was our duty to inform the Court of this situation.

Very truly yours,

LEONARD, O'BRIEN
SPENCER, GALE & SAYRE, LTD.

By



Matthew R. Burton
Email: mburton@losgs.com



Check Images

Statement period: Dec 01-Dec 31, 2009

Account number: 000000- [REDACTED]

Image page: 12 of 18

SKOLNICK & SHEFF, P.A.
200 WASHINGTON STREET, SUITE 200
BOSTON, MA 02108

12/16/09

14121

Pay to the order of Randy Seaton Thomsen \$ 75,000.00

Seaton Thomsen

For Cash Thomsen

00000014121

00007500000

EF 000000000000 CK# 14121 75000.00



PAY TO THE ORDER OF
BANK OF AMERICA
FROM DEPOSIT ONLY
DRAFTS BEHAVE - TRUSTEE
INVESTMENTS - TRUSTEE
- ACCOUNT # [REDACTED]

DATE OF DEPOSIT IN
MINIMUM CASH 12/16/09

EXHIBIT A



WELLS FARGO BANK, N.A.
METRO MINNEAPOLIS REGIONAL SPB
90 S 7TH ST, 11TH FLOOR
MINNEAPOLIS, MN 55402

Page 1 of 3

590

(00300)

Account Number:
Statement Period:

6598
Dec 1, 2009-
Dec 31, 2009
89

Image Count:

SKOLNICK & SHIFF PA
2100 RAND TOWER
527 MARQUETTE AVE SO
MINNEAPOLIS MN 55402-1308

For Customer Assistance:
Call 800-225-5935 (1-800-CALL-WELLS).

Account Number	Beginning Balance	Total Credits	Total Debits	Ending Balance
Business Cash				

Electronic Deposits/ Bank Credits

Effective Date	Posted Date	Amount	Transaction Detail
	Dec 16	20,750.00	WT Fed#00324 Associated Bank , /Org = j D H Irrevoc Trust Srf# JA00 Trn#0284 Rfb#
	Dec 16	20,750.00	WT Fed#00331 Associated Bank , /Org = kelly K Hecker Irrevoc Trust Srf# JA00 Trn#0054 Rfb#
	Dec 16	20,750.00	WT Fed#00347 Associated Bank , /Org = s D H Irrev Trust Srf# JA00 Trn#0619 Rfb#
	Dec 16	13,500.00	WT Fed#00320 Associated Bank , /Org = g D S Irre Srf# JA00 Trn#822 Rfb#

Continued on next page

EXHIBIT A